



Presentation to the 2015 Health and Human Services
Joint Appropriation Subcommittee

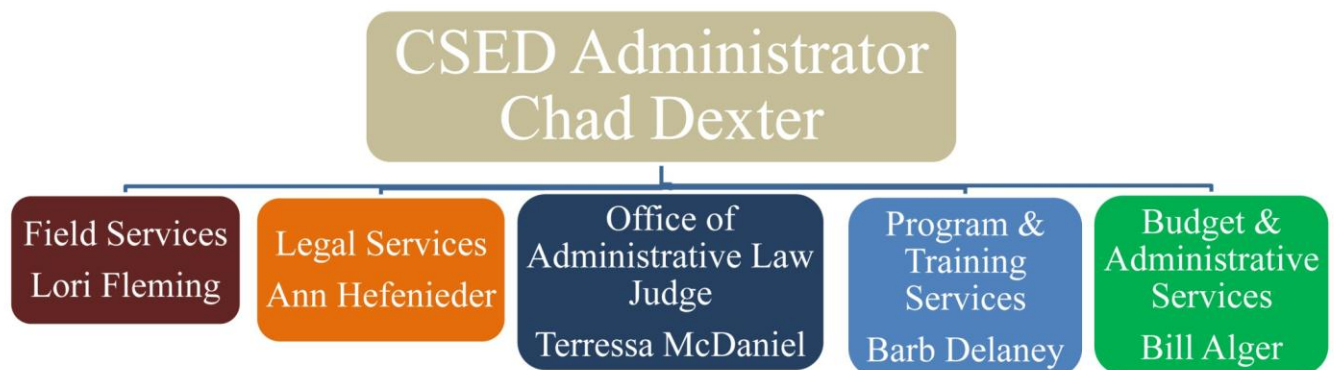
CHILD SUPPORT ENFORCEMENT

Economic Security Services Branch
Department of Public Health and Human Services

Reference:

Legislative Fiscal Division Budget Analysis, Volume 4, Page B-27 to B-30

Organizational Chart



CONTACT INFORMATION

Title	Name	Phone Number	E-mail address
Administrator	Chad Dexter	406-444-1846	cdexter@mt.gov
Bureau Chief-Budget & Administrative Services	Bill Alger	406-444-0565	balger@mt.gov
Bureau Chief-Field Services	Lori Fleming	406-444-3338	lfleming@mt.gov
Bureau Chief-Administrative Law Judge	Terressa McDaniel	406-444-9370	tmcdaniel@mt.gov
Bureau Chief-Program & Training Services	Barb Delaney	406-444-1957	bdelaney@mt.gov
Bureau Chief – Legal	Ann Hefenieder	406-655-5507	ahefenieder@mt.gov

OVERVIEW

The mission of the Child Support Enforcement Division (CSED) of the Montana Department of Public Health and Human Services (DPHHS) is to diligently pursue and ultimately achieve financial and medical support of children by establishing, enforcing, and increasing public awareness of parental obligations.

The CSED is the state Title IV-D agency. Title IV-D of the federal Social Security Act requires each state to provide child support services in exchange for federal funding of the agency and the state Temporary Assistance for Needy Families (TANF) program. Child support agencies offer a range of services from location of absent parents and paternity establishment through enforcement of child support orders. While in many states these services are provided in district or family court, in Montana, due to the geographical distances and for the convenience of our citizens, child support services are provided through an administrative hearing process. Parties to a case are served notice of the action, offered an opportunity for hearing, and an administrative order is issued. The order is appealable to district court.

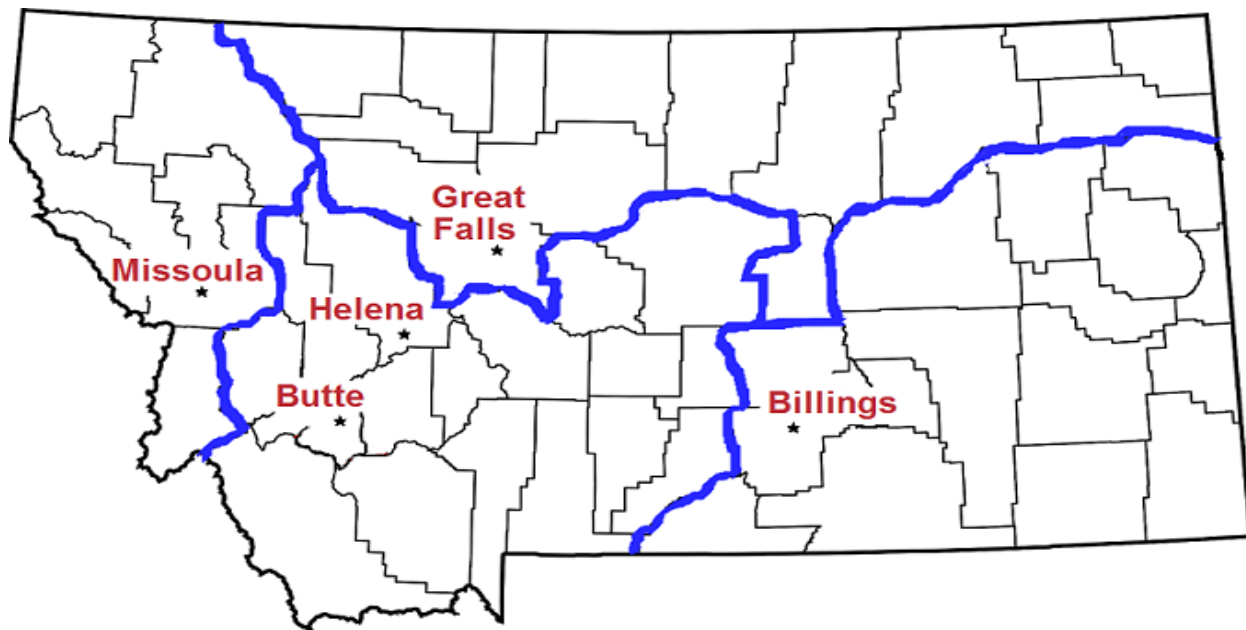
The CSED plays an important role in the DPHHS overarching goal of giving Montanans the tools and support to be self-sufficient. The importance of the work the division does is evident from the comments staff receive. Below are excerpts from some of this feedback.

- “I am writing to say thank you for being amazing at your job. I wish I could do more to let you know how much you and your dedication are appreciated.”
- “...my cell phone rang today. It was the CSED telling me that my children’s father had received a settlement and they had garnished \$28,470.19, which was being deposited in my account today. I had to sit down and ask my caseworker to repeat what she’d just told me...I was astounded.”
- “I just wanted to say thank you for everything. You were helpful and knowledgeable, and just an amazing person for me. Thank you for all you do. You are appreciated.”

Children need the support and love of both parents. We recognize the thousands of Montana parents who put their children first by responsibly providing for their emotional and financial support.

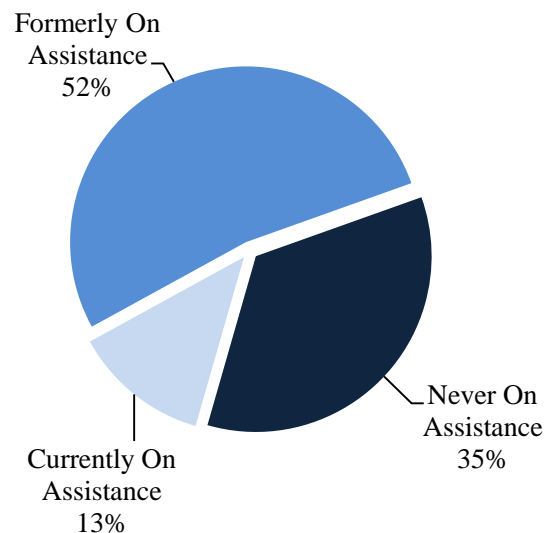
Child Support Enforcement

The CSED is part of the DPHHS Economic Security Services branch. The division serves the public through the following five bureaus: Field Services, Legal Services, Program & Training, Budget & Administrative Services, and the Office of the Administrative Law Judge (OALJ). Central Operations, the Interstate Responding Regional Office, and the OALJ are located in Helena. Four additional regional offices are located in Great Falls, Billings, Butte and Missoula.



CSED Staffing Sept. 30th, 2014	FTE	
Central Operations		
-Administrator, Field Bureau	3	
Chief & Attorney	17.5	
-Budget & Administrative	12	
-Program & Training		
Office of the Administrative Law Judge	6	
		Cases
Great Falls Regional Office	22	6,117
Billings Regional Office	31	10,806
Butte Regional Office	23	7,194
Missoula Regional Office	26.25	7,774
Helena-Interstate Responding Regional Office	23	7,177
Total	163.75	39,068

Applicants For Services



SUMMARY OF MAJOR FUNCTIONS

- In SFY 2014 the CSED collected \$70,745,131 in child support on behalf of families. This is an all-time high collection mark for the division. 94% of these collections are given directly to parents. Of the remaining 6%, CSED returns a portion to the federal government to repay the Temporary Assistance for Needy Families (TANF) grant and retains the balance to offset operating expenses for the CSED program.
- Any parent or person with custody of a child who needs help to establish a child support or medical support order or to collect support payments may apply to CSED for child support services. In its open caseload of 39,068 the CSED is providing child support services to approximately 135,000 adults and children. People receiving public assistance under TANF are referred to CSED from the Human and Community Services Division. Individuals referred are required to cooperate with CSED to continue receiving these benefits. 65% of the CSED caseload is from referrals of individuals currently receiving public assistance (13%) or formerly receiving assistance (52%). 35% of applicants in the CSED caseload have never been on TANF.
- If the CSED cannot locate the noncustodial parent with the information provided by the custodial parent, it maintains the State Parent Locator Service (SPLS) to assist in the effort to find the missing parent.
- Providing paternity establishment services legally identifies fathers of children born out-of-wedlock. Resolving the issue of paternity is a necessary “first step” toward obtaining a child support obligation. Genetic DNA testing provides the most conclusive determination as to whether a man is the biological father of a child. It is the preferred method by which the CSED reaches a legal determination of paternity for children born out-of wedlock. In addition to child support, resolving the issue of paternity may provide the child one or more of the following benefits:
 - Access to Social Security benefits;
 - Medical insurance and biological information;
 - Verification of tribal enrollment status; and
 - Important interactions and relationships with both parents.

In SFY 2014, the CSED resolved 951 cases in which the paternity of children born out-of-wedlock was previously unknown. On an annual basis, the CSED caseload of children born out-of-wedlock with paternity resolved regularly exceeds the federal Paternity Establishment Percentage (PEP) standard of 90%.

- The CSED establishes new child support obligations and, when appropriate, modifies current support obligations. Monthly obligations are set through a calculation consistent with the Montana Uniform Child Support Guidelines. Guidelines recognize the following primary goals:
 1. Meet the basic needs of children and prevent or reduce child poverty;
 2. Allow parents to meet their own basic needs so they can maintain employment;
 3. If income is available, provide additional resources to allow the child a higher standard of living, allowing interests to be pursued, and skills and abilities developed;
 4. Recognize that a separated family cannot live as economically in two households as in one, due to lost economies of scale and duplication of household expenses; and
 5. Recognize costs incurred for parenting/visitation with the children in a state with the geographic size of Montana.

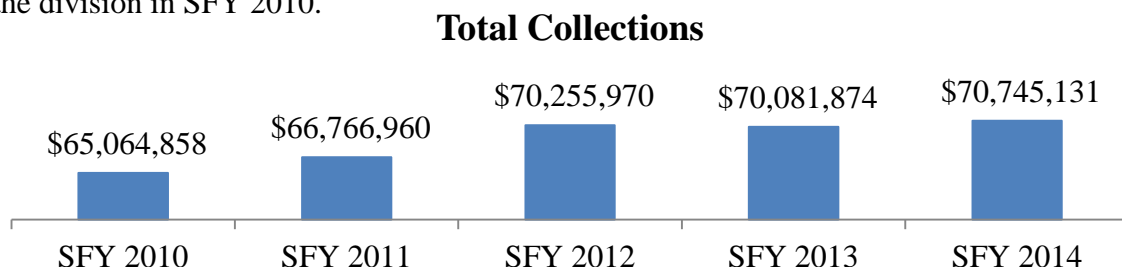
In SFY 2014 the CSED legally established 1,927 new child support obligations for case participants. In addition, it reviewed 1,555 previously established support orders for modification. 89% of the CSED caseload has an order of child support in place.

- Provisions for health insurance coverage must also be included in any established or modified order of support. Along with establishing a medical insurance provision in the order, the CSED also seeks to enforce the provision of health insurance when it is reasonably available to parents. In SFY 2014, the CSED successfully enforced medical support obligations for 17,026 children in its caseload. These efforts contribute to the overarching goal of Montana's children being healthy and having access to quality health care. Enforcing health insurance obligations for children also saves the state Medicaid costs that it would otherwise potentially face. In SFY 2014 the cost-savings to Medicaid through these CSED efforts is estimated to be \$6.9 million.

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2015 BIENNIUM:

Annual Collections Increase

- Financial support through the collection of monthly child support payments, along with the recovery of past due support amounts, contributes toward family self-sufficiency in our communities. The total amount of support collected annually is one of the most important indicators of CSED commitment to helping families reach the goal of economic security. For a third straight year, the CSED maintained its level of over \$70 million dollars in annual collections. This milestone was accomplished without increasing the level of FTE available to the division in SFY 2010.



CSED Passes Federal Data Reliability Audit

The federal OCSE Office of Audit performs Data Reliability Audits (DRA) to evaluate the completeness, accuracy, security, and reliability of data reported and produced by state reporting systems. DRAs help ensure that federal performance incentives are earned and paid on the basis of verifiable data only and that the national incentive system is fair and equitable. Results are important because a state's performance is used to determine each state, territory and district's share of a national incentive pool based on performance. In addition, there is a financial penalty if there is a failure to achieve the required level of performance, or the data is incomplete or unreliable and the performance does not improve, or the deficiency is not corrected in the subsequent year. CSED received \$1,204,876 in FFY 12, which decreased the level of state financial participation necessary to maintain current CSED operations.

The federal Office of Audit completed a DRA in Montana for FFY 2013, reviewing indicator data for the following program performance incentive measures: 1) Paternity Establishment, 2) Support Order Establishment, 3) Current Support Collections, and 4) Arrearage Payments. From their review of sampled cases, OCSE auditors found the CSED to be fully in compliance for all four program incentive measures audited. No measure reviewed fell below the 95% allowable efficiency standard. Efficiency rates for both Paternity Establishment and Support Order Establishment were 100% (aka, zero errors found).

Electronic Filing of New Hire Information

Since 1997, employers have been responsible for reporting newly hired employees for the purpose of child support enforcement. The success of the New Hire Reporting Program has reduced the time in which it takes to issue an income withholding order for a case participant from months to days. Employers are the key to this success, and the commitment of the business community to timely report new hired, or re-hired, employees is recognized and appreciated.



Since 2007, on-line technology has given employers the option of submitting new-hire information through the internet. This service is free to employers, and is a quick and efficient way to meet the reporting requirement. While employers still have the option of providing updates by fax, phone or postal service, the CSED continues to encourage the electronic option. In SFY 2014, 60% of all new-hire reporting was received through electronic filing.

In response to the increase in electronic new hire reporting, in October 2015 the CSED will begin offering employers the option of receiving Orders to Withhold Income electronically. This will increase efficiencies and reduce the reliance on postage for both the CSED and employers.

Partnering With Tribal Child Support Programs

Beginning in 1996, tribes were provided the opportunity to apply for federal funding to establish their own child support programs. By joining in the national child support partnership with the federal and state programs, tribal programs provide more access and tools to families seeking economic security and sufficiency. Today there are 57 comprehensive tribal child support programs across the country. Four of these tribal programs are here in Montana. The CSED continues to offer training and case coordination to the Blackfeet, Confederated Salish and Kootenai, Fort Belknap Indian Community, and Chippewa Cree tribal child support programs.

Partnering with Montana Legal Services

CSED is working with Montana Legal Services and its contracted programmer to create a free web calculator for determining child support obligations under Montana's child support guidelines. The Internet-based calculator has an interview-style format to make the process easier for parties who are not familiar with the details of the guidelines. CSED has provided the assistance of its child support guidelines liaison to help ensure the formula is correct, the HELP screens are helpful, and the end result produces accurate child support worksheets.

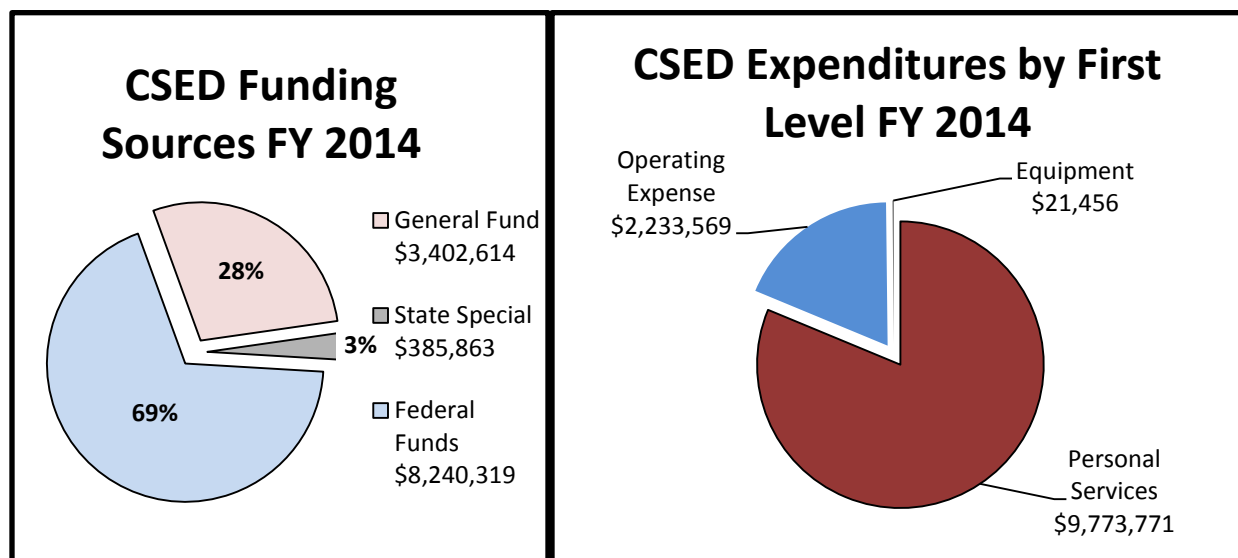
2017 BIENNIUM GOALS AND OBJECTIVES

Department of Public Health and Human Services Child Support Enforcement Division	
Goals and Objectives for the 2017 Biennium Submitted October 2014	
Goal: Diligently pursue and ultimately achieve financial and medical support of children	
Objective	Measures
Obtain support for children by maintaining our ratings on federal child support performance standards.	<p>The CSED will review and analyze whether:</p> <ul style="list-style-type: none">• Child support collections have been maintained.• The IV-D paternity establishment percentage has been maintained.• The percentage of cases with child support orders has been maintained.• The percentage of cases with current child support collections has been maintained.• The percentage of cases with child support collections in arrears has been maintained.• The cost effectiveness ratio has been maintained.• The number of children with medical support has been maintained.

Funding and FTE Information

	2014 Actual Expenditures	FY 2016 Request	FY 2017 Request
Child Support Enforcement			
FTE	163.75	157.31	157.31
Personal Services	9,773,771	10,692,493	10,687,487
Operating	2,233,569	2,233,439	2,233,416
Equipment	21,456	21,456	21,456
Total Request	12,028,796	12,947,388	12,942,359
General Fund	3,402,614	3,695,771	3,694,135
State Special Fund	385,863	405,125	404,872
Federal Fund	8,240,319	8,846,492	8,843,352
Total Request	12,028,796	12,947,388	12,942,359

THE FOLLOWING FIGURES PROVIDE FUNDING AND EXPENDITURE INFORMATION FOR
FY 2014 FOR CHILD SUPPORT ENFORCEMENT



CHANGE PACKAGES

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 500444 includes a reduction of 6.44 FTE each year and \$793,451 total funds for the biennium to accomplish the FTE reduction.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2016	\$ (107,118)	\$ (27,769)	\$ (261,840)	\$ (396,727)
FY 2017	\$ (107,117)	\$ (27,769)	\$ (261,838)	\$ (396,724)
Biennium Total	\$ (214,235)	\$ (55,538)	\$ (523,678)	\$ (793,451)

LEGISLATION

The Division has one legislative request (HB 227). In order to meet Title IV-D state plan requirements, Montana must stay in compliance with federal law concerning the provision of child support enforcement services. The Preventing Sex Trafficking and Strengthening Families Act (P.L. 113-183) requires, in exchange for federal funding for the Title IV-D child support program and the Title IV-A TANF program, the enactment of the 2008 version of the Uniform Interstate Family Support Act (UIFSA). UIFSA provides a uniform framework for the referral of child support cases between states and between states and foreign countries. The 2008 version contains provisions for enforcement of cases from foreign reciprocating countries. The CSED estimates no additional revenue will be needed to implement the provisions of the 2008 version of the Uniform Interstate Family Support Act in Montana.